EXHIBIT B

Liquidation Analysis

LIQUIDATION ANALYSIS FOR TOWN SPORTS INTERNATIONAL, LLC, et al

1. INTRODUCTION

Under the "best interests" of creditors test set forth by section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a claim or interest who does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. *See* 11 U.S.C. § 1129(a)(7). Accordingly, to demonstrate that the proposed plan satisfies the "best interests" of creditors test, the Debtors, with assistance from its advisors, have prepared the following hypothetical liquidation analysis presenting recoveries available assuming a hypothetical liquidation (the "Liquidation Analysis") which is based upon certain assumptions discussed in the Disclosure Statement and in the accompanying notes to the Liquidation Analysis.

Statement of Limitation

The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtors' assets in a chapter 7 case is an uncertain process involving the extensive use of significant estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors, their management and their advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could materially affect the ultimate results in an actual chapter 7 liquidation. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by independent accountants in accordance with standards promulgated by the American Institute of Certified Public Accountants.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

THE RECOVERIES SHOWN DO NOT CONTEMPLATE A SALE OR SALES OF THE DEBTORS' BUSINESS UNITS ON A GOING CONCERN BASIS. THIS LIQUIDATION ANALYSIS IS A HYPOTHETICAL EXERCISE THAT HAS BEEN PREPARED FOR THE SOLE PURPOSE OF PRESENTING A REASONABLE GOOD FAITH ESTIMATE OF THE PROCEEDS THAT WOULD BE REALIZED IF THE DEBTORS WERE LIQUIDATED IN ACCORDANCE WITH CHAPTER 7 OF THE BANKRUPTCY CODE AS OF THE PLAN EFFECTIVE DATE. THIS LIQUIDATION ANALYSIS IS NOT INTENDED AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE. THIS LIQUIDATION ANALYSIS DOES NOT PURPORT TO BE A VALUATION OF THE DEBTORS' ASSETS AS A GOING CONCERN,

AND THERE MAY BE A SIGNIFICANT DIFFERENCE BETWEEN THIS LIQUIDATION ANALYSIS AND THE VALUES THAT MAY BE REALIZED OR CLAIMS GENERATED IN AN ACTUAL LIQUIDATION.

NOTHING CONTAINED IN THIS LIQUIDATION ANALYSIS IS INTENDED TO BE, OR CONSTITUTES, A CONCESSION, ADMISSION, OR ALLOWANCE OF ANY CLAIM BY THE DEBTORS. THE ACTUAL AMOUNT OR PRIORITY OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH AND USED IN THIS LIQUIDATION ANALYSIS.

THE DEBTORS RESERVE ALL RIGHTS TO SUPPLEMENT, MODIFY, OR AMEND THE ANALYSIS SET FORTH HEREIN.

Global Notes to the Liquidation Analysis

The Liquidation Analysis depends on estimates and assumptions that, although developed and considered reasonable by management and advisors of the Company, are subject to significant economic, business, and regulatory uncertainties and contingencies beyond the control of the Company and its management. The Liquidation Analysis is based on the Company's judgement at a point in time. There can be no assurance that values reflected in this Liquidation Analysis would be realized if the Company were to undergo such a liquidation. Actual results could vary materially and adversely from those contained herein. For the avoidance of doubt, this liquidation analysis does not constitute a formal valuation and/or appraisal of the Company and/or its assets.

This Liquidation Analysis was prepared before the deadline for filing claims against the Debtors' Estates, and the Debtors have therefore neither fully evaluated claims filed against the Debtors or adjudicated such claims before the Bankruptcy Court. Accordingly, the amount of the final Allowed Claims against the Debtors' estates may differ from the claim amounts used in this Liquidation Analysis.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of claims listed on the Debtors' Schedules of Assets and Liabilities and the Debtors' financial statements to account for other known liabilities, as necessary. In addition, the Liquidation Analysis includes estimates for claims not currently asserted in the chapter 11 cases, but which could be asserted and allowed in a chapter 7 liquidation, including unpaid chapter 11 administrative claims, and chapter 7 administrative claims such as wind-down costs, trustee fees, and tax liabilities. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims used for purposes of preparing this Liquidation Analysis. Therefore, the Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan.

No recovery or related liquidation costs have been attributed to any potential avoidance actions under the Bankruptcy Code, including potential preference or fraudulent transfer actions due to, among other issues, uncertainty, and unanticipated disputes about these matters. The

Liquidation Analysis does not include assumptions regarding the existence of such claims or the likelihood of their success.

The underlying assumption in this Liquidation Analysis, per management's estimation, is that it will take the Chapter 7 trustee (the "Trustee") approximately 21 days to liquidate existing equipment once the liquidation process begins. In an actual liquidation, the wind-down process and time period could vary considerably, which would ultimately impact potential recoveries. Accordingly, there can be no assurance that the values reflected in this Liquidation Analysis would be realized if the Company were to undergo such a liquidation.

This Liquidation Analysis assumes that the liens securing the senior secured claims were properly perfected.

Specific Notes to the Liquidation Analysis

The Liquidation Analysis should be read in conjunction with the following notes and assumptions.

1. A Chapter 7 liquidation would cause an immediate cessation of the business. Such an action would likely cause significant press coverage due to the history and integration of the brand with the cities in which it operates. Such cessation of operations in a liquidation may trigger certain claims that would otherwise not exist.

2. The Liquidation Analysis is based on unaudited internal financial statements as of September 30, 2020, unless otherwise stated. Audited financial statements may differ materially. Cash accounts and DIP financing are as of October 23, 2020 adjusted for estimated transaction activity during week ended October 30, 2020.

3. Adjusted asset balances exclude certain assets that are offset by liabilities, capital lease assets, leasehold improvements and assets created for generally accepted accounting principles ("GAAP") compliance purposes only to better reflect the asset values that are available to be monetized in a Chapter 7 liquidation.

4. Book cash balance as of October 23, 2020 totals $13.5M. An additional $7.0M of DIP funding received in the week ended October 30, 2020 has been added to the estimated the book cash balance on October 30, 2020.

5. The accounts receivable balances have been grossed up for the allowance for doubtful debts totaling $5.6M. Members will likely dispute these charges due to the club closures and a recovery range of 0%-10% is assumed. Per management guidance, these estimated recoveries are consistent with historical recoveries realized from member receivables.

6. Customers are expected to request chargebacks after the immediate cessation of club operations occurs. This amount is estimated to range from $1.2M - $3.7M. With no new cash receipts being processed, credit card companies would apply such chargebacks against their cash deposits on hand.

7. Minimum earned premiums and policy terms will likely result in a less than full recovery.

8. Approximately $4.1M is due from TSI Group LLC. Other affiliate receivables are offset by corresponding affiliate payables. A modest recovery is assumed to be realized from such receivables.

9. Adjusted balance excludes assets offset by contra-liabilities and prepaid restructuring professional fees. The remaining prepaids relate to towel inventory and miscellaneous receivables and prepaids etc.

10. Fixed assets represent primarily leasehold improvements and leased equipment, both of which will not provide a recovery. Remaining assets represent owned equipment (assumed recovery rates of 25%-50%) and computer hardware, software, and audio/stereo which will provide no recovery.

11. Goodwill and intangibles from prior acquisitions is not expected to yield any proceeds in a liquidation. Current member lists and intellectual property is captured separately in this analysis.

12. Approximately, 50%-75% recovery is assumed from utility deposits after offsets to outstanding amounts due. No recovery is assumed from the real estate deposits under the assumption that the landlords will offset these balances against prepetition outstanding amounts due.

13. Operating leases are included in the financials as an asset as required by GAAP. However, the underlying assets are not owned by the Debtors, and provide no realizable value in a liquidation.

14. Other assets are primarily related to insurance claims and have offsetting liabilities providing no realizable value in a liquidation.

15. Membership lists for clubs are assumed to generate $5.0-10.0M of sale proceeds in a liquidation. No standalone marketing process has been undertaken to monetize the lists and recovery values reflect management estimates.

16. Debtors intellectual property is assumed to generate $2.5M-$10.0M of sale proceeds in a liquidation. No standalone marketing process has been undertaken to monetize the assets and recovery values reflect management estimates.

17. Estimated estate wind-down costs assume a two-week lag in payroll, minimal corporate staff to assist with the liquidation, deferred employer taxes under the CARES Act, along with an estimated $0.5M for other wind down operating costs. This is estimated as proxy for the costs associated with any employees that the Trustee hires to effectuate the liquidation.

18. Equipment brokers / auctioneers are estimated to charge 10-20% of net sale proceeds to sell assets.

19. The estimate used in the Liquidation Analysis for Chapter 7 trustee fees in accordance with the Chapter 7 trustee fee guidelines pursuant to 11 U.S. Code 326.

20. DIP loan balance as of October 23, 2020 is $25.0M. An additional $7.0M of DIP funding was received in week ended October 30, 2020 has been added to estimate the balance on October 30, 2020.

21. Chapter 11 administrative claims include (i) post-petition trade payables and accrued expenses estimated at $4.0M, (ii) approximately $1.2M of carve out amounts that would be funded upon delivery of a carve out trigger notice as provided by the DIP Order and (iii) an estimate for pro-rata member refund due to club closures.

22. General unsecured creditors ("GUC") claims include a Payroll Protection Program Loan balance, trade payables and accrued expenses as of September 30, 2020. The low end of the range does not include any estimate for (i) lease or contract rejection claims or (ii) litigation claims (including member claims for refunds). At the high end of the range, total GUC claims are estimated at approximately $219M.

No recovery is available for the Chapter 11 administrative claims and GUC claims under a Chapter 7 Liquidation. This compares with a 100% recovery for Chapter 11 administrative claims and at least $1.0M available for the benefit of general unsecured creditors in the Plan of Liquidation submitted by the Debtors.

Town Sports International LLC
Liquidation Analysis for Disclosure Statement

Estimated Proceeds Generated				Chapter 7 Liquidation				Plan of Liquidation			
(In 000's)				Potential Recovery				Potential Recovery			
			Adjusted	Recovery Estimate (%)		Recovery Estimate ($)		Recovery Estimate (%)		Recovery Estimate ($)	
Assets	**Notes**	**Balance [2]**	**Balance [3]**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**
Cash	[4]	$ 20,912	$ 20,469	100%	100%	$ 20,469	$ 20,469				
Accounts receivable	[5]	42	5,663	0%	10%	-	566				
Reserves with credit card processors	[6]	12,411	12,411	70%	90%	8,688	11,170				
Prepaid Insurance	[7]	1,277	1,277	0%	75%	-	958				
Affiliate receivable	[8]	18,369	4,032	0%	20%	-	806				
Other prepaid assets	[9]	4,481	565	15%	33%	82	184				
Fixed assets	[10]	40,510	7,430	14%	28%	1,027	2,055				
G/W & Intangibles	[11]	20,009	20,009	0%	0%	-	-				
Security Deposits	[12]	5,078	5,078	12%	18%	614	921				
Operating lease right-of-use assets	[13]	286,461	286,461	0%	0%	-	-				
Other assets	[14]	3,610	-	0%	0%	-	-				
Membership lists	[15]	-	-	n/a	n/a	5,000	10,000				
Intellectual Property	[16]	-	-	n/a	n/a	2,500	10,000				
Total Assets		**413,161**	**363,394**	**10.6%**	**15.7%**	**38,380**	**57,129**				
				Recovery Estimate (%)		Recovery Estimate ($)					
Less: Chapter 7 Costs			**Amount**	**Low**	**High**	**Low**	**High**				
Estimated estate wind-down costs	[17]		3,820	100%	100%	(3,820)	(3,820)				
Asset sale commission	[18]			20%	10%	(205)	(205)				
Trustee Fees	[19]		n/a	n/a	n/a	(1,054)	(1,616)				
Total Chapter 7 Costs						**(5,079)**	**(5,642)**				
Net Proceeds Available for Creditors						**33,301**	**51,487**			**118,975**	**118,975**

Distribution of Net Proceeds Available for Creditors				Chapter 7 Liquidation				Plan of Liquidation			
		Claims		Recovery Estimate (%)		Recovery Estimate ($)		Recovery Estimate (%)		Recovery Estimate ($)	
Ch. 11 Claim Types		**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**
DIP Financing Claims	[20]	32,000	32,000	100%	100%	32,000	32,000	100%	100%	32,000	32,000
Pre-petition Revolving Loan Facility and Term Loan		167,163	167,163	1%	12%	1,301	19,487	48%	48%	80,000	80,000
Other Secured Claims		-	-	n/a	n/a	-	-	n/a	n/a	-	-
Total Secured Claims		199,163	199,163	17%	26%	33,301	51,487	56%	56%	112,000	112,000
Proceeds Available for Next Priority of Creditors						**-**	**-**			**6,975**	**6,975**
Administrative Claims	[21]	5,975	5,975	0%	0%	-	-	100%	100%	5,975	5,975
Priority Tax Claims		[TBD]	[TBD]	0%	0%	-	-	100%	100%	[TBD]	[TBD]
Priority Non-Tax Claims		[TBD]	[TBD]	0%	0%	-	-	100%	100%	[TBD]	[TBD]
Total Priority Claims		-	-	0%	0%	-	-	0%	0%	[TBD]	[TBD]
Proceeds Available for Next Priority of Creditors						**-**	**-**			**1,000**	**1,000**
General Unsecured Creditors	[22]	109,412	218,824	0%	0%	-	-	1%	0%	1,000	1,000